



Afternoon Energy, powered by America's Natural Gas Alliance: Arrest overshadows EPA Wyoming hearing – Nuclear commission report highlights 'dysfunction' – EPA on Dimock: 'Compelled to intervene' – Romney gets backing from the other Koch brother  
POLITICO Pro Energy to: Arvin Ganesan

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By Alex Guillen | 2/1/12 3:07 PM EST

With help from Bob King, Erica Martinson and Darren Samuelsohn

Happy Wednesday and welcome to Afternoon Energy. Patrick “Curly Fries” Reis will be in your inbox tomorrow afternoon, so send him your best stuff: [preis@politico.com](mailto:preis@politico.com).

**HOT AIR:** The often-sleepy House Science Committee took a surprising turn this morning when Oscar-nominated “Gasland” director Josh Fox refused to pack up his camera and was arrested and charged with unlawful entry. Fox was led out by Capitol police shortly before the hearing, which focused on EPA's investigation of potential natural gas contamination in Pavillion, Wyo., could be gaveled into order. Talia Buford was on the scene: <http://politico.pro/x4qFPw>

**ICYMI:** Before the hearing Talia previewed what the EPA and Wyoming Oil and Gas Conservation Commission witnesses planned to say: (<http://politico.pro/y18jWx>).

**REACTION: IT'S A DISTRACTION:** Steve Everley, a spokesman with industry group Energy In Depth, emails AE: “First someone put on a circus, then everyone else had to clean it up. But once the discussion actually turned to the EPA report and away from theatrics, we learned some pretty interesting things. ... The bottom line: Today's hearing showed once again that EPA's report on Pavillion raises more questions than it answers, and we're seeing first hand just how problematic EPA's conclusions really are.”

**DISPATCHES FROM DARIUS DIXON:** At House Energy and Commerce’s hearing on the Blue Ribbon Commission’s final report.

— Rep. John Shimkus (R-Ill.) said the commission's final report found that “the dysfunction within and between the Nuclear Regulatory Commission and the Department of Energy has rendered the current waste management structure ineffective.” But Rep. Gene Green (D-Texas) said “it's a terrible waste of taxpayer dollars to have this \$12 billion facility sitting unused in the desert.”  
<http://politico.pro/z3WgIg>

— The creation of an independent, government-chartered corporation to carry out the nation's nuclear waste policies was a popular recommendation but exactly when it might be created is anyone's guess, commission co-chairman Lee Hamilton said.  
<http://politico.pro/wVqDHm>

**DIMOCK UPDATE:** EPA sent a letter to Cabot Oil & Gas yesterday in response to their concerns (details: <http://politico.pro/zUgh3D>). EPA felt “compelled to intervene” when they saw Cabot’s data had some levels of contaminants that were of concern and opted to conduct additional monitoring and testing because the data were incomplete. “Our actions to date have been guided only by science,” the agency wrote. The letter: <http://politico.pro/AmMJJP>

**ROMNEY HAS A KOCH AND A SMILE:** William Koch, the Palm Beach, Fla.,-based brother to oil billionaires Charles and David Koch, was a \$1 million donor last year to Restore Our Future (<http://politi.co/zLFvjp>), the super PAC that raised more than \$30 million in 2011 while supporting Mitt Romney’s presidential campaign. Koch’s company Oxbow Carbon LLC — which calls itself “the world’s largest marketer of petroleum coke and calcined coke” — donated \$750,000 to the PAC, while the former America’s Cup skipper himself chipped in \$250,000.

Energy-related donors gave at least \$1.48 million to the super PAC, based on a preliminary review by POLITICO. They include \$150,000 from Consol Energy and \$100,000 from R. Graham Whaling, co-founder of Houston-based energy investment bank Parkman Whaling.

**SUPER PAC FUN FACT:** \$8.26 million of the donations to Restore Our Future came from people who listed their occupation as either president, chairman or CEO.

**AXELROD PIVOTS FROM SOLYNDRA TO BATTERIES:** In a newly posted interview from Fresh Dialogues, Obama campaign adviser David Axelrod says that Solyndra has become a way for critics to ignore administration successes. “You can look at Solyndra or you can look at the fact that when we started, the U.S. had about 2 percent of the advanced battery manufacturing for electric cars. We’re on course to get to 40 percent by the middle of this decade.” The interview: <http://youtu.be/Z7PNuSJzXzM>

**CZAR NEWS:** Former White House manufacturing policy chief Ron Bloom has landed a job as a senior adviser to Lazard, the financial management firm announced Wednesday. Bloom had a lead role in the Obama administration's bailout for General Motors and Chrysler and later in crafting an agreement with the auto industry on two sets of new fuel economy standards.

**MORE AND LESS:** The Edison Electric Institute is concerned that FERC plans too narrow a scope of review of reliability impacts related to EPA’s mercury and air toxics standards for power plants. In a statement Tuesday evening, Senior Vice President Brian Wolff also said that FERC should avoid doing its own studies on reliability. “FERC should be working with State and planning authorities and not second guessing them,” Wolff said. And EEI urged FERC to advise EPA to consider longer-term planning when determining whether a plant is necessary to ensure adequate power on the electric grid.

**CLIMATE SCIENTISTS HIT WSJ:** An op-ed by 16 scientists in The Wall Street Journal (<http://on.wsj.com/yUb5AN>) dismissing the dangers of climate change is under fire from 38 climate scientists (including Michael Mann and Katharine Hayhoe). In their own letter to the Journal, they argue that, “Do you consult your dentist about your heart condition? ... While accomplished in their own fields, most of these authors have no expertise in climate science.” Their letter: <http://on.wsj.com/bNU8>

**TWEET OF THE DAY:** @MichaelEMann: “NEWS FLASH: Groundhog Day cancelled! Phil says he's pretty sure spring \*already\* arrived in western PA, preempting tomorrow's event.”

## QUICK HITS

— A combination of increased drilling and lower demand has made natural gas prices plummet, and "the only way to get natural gas prices up is to stop companies drilling," T. Boone Pickens said today. Upstream Online: <http://bit.ly/wV5J93>

— San Diego Gas & Electric says it can get by without the San Onofre nuclear plant, where one generator is offline following a potential leak and the other is down for refueling and maintenance. The San Diego Union Tribune: <http://bit.ly/yN5BoX>

— Alaska lawmakers are mulling putting an additional \$500 million into a renewable energy fund over the next decade. Juneau Empire: <http://bit.ly/vYWKyY>

— Responding to criticism over its poor search feature, DOE says it has improved that part of its website but that dealing with thousands of PDFs is a challenge. <http://l.usa.gov/xGVyoZ>

## THE WIDE WORLD OF POLITICS: Stuff you need to know.

— Newly released data show that 2012 is quickly becoming the year of big donors — and they tend to favor Republicans over Democrats. Ken Vogel: <http://politi.co/wTS5KF>

— Coming off a win in Florida, Romney committed a gaffe of the day when he said that he is “not concerned about the very poor.” Mackenzie Weinger: <http://politi.co/wtBeQr>

— Despite a faltering economy, skyrocketing deficit and crushing debt, Congress is largely focusing on bills aimed at “fixing Washington.” Jake Sherman and Jonathan Allen: <http://politi.co/wAUg0f>

\*\* A message from America’s Natural Gas Alliance: One solution for more abundant domestic energy is staring us in the face. Natural gas is the natural choice — now and in the future. We know we need to use cleaner, American energy. And, we have it. Today, the U.S. has more natural gas than Saudi Arabia has oil, giving us generations of this clean, domestic energy source. Natural gas supports 2.8 million American jobs, most states are now home to more than 10,000 natural gas jobs. As Congress and the Administration look for ways toward a cleaner tomorrow, the answer is right here: natural gas. Learn more at [www.angaus.us](http://www.angaus.us). And, follow us on Twitter @angaus. \*\*

## Stories from POLITICO Pro

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### 'Gasland' director arrested at hearing [back](#)

By Talia Buford | 2/1/12 12:27 PM EST

Oscar-nominated documentary filmmaker Josh Fox was arrested Wednesday morning after attempting to film a House Science Committee hearing on hydraulic fracturing.

Fox was led out in handcuffs by the Capitol police shortly after 10 a.m., before the hearing could be gaveled into order. The "Gasland" director was attempting to film the hearing looking into EPA's investigation of potential water contamination from natural gas drilling in Pavillion, Wyo.

"I'm within my First Amendment rights, and I'm being taken out," Fox shouted as he was led away.

Fox has been charged with unlawful entry, according to Capitol police spokeswoman Sgt. Kimberly Schneider.

Fox is working on a sequel to his Oscar-nominated "Gasland."

An ABC news crew was also turned away from the hearing. The committee chairman has the discretion on whether to allow uncredentialed members of the media to film hearings, according to a democratic staffer.

The committee recessed after Rep. Brad Miller (D-N.C.) called a motion to suspend the committee rules and allow for Fox and the ABC crew to film the hearing.

"... it's clear we have space in this room to film this hearing," Miller said. "If you claim that rule does not allow them to film, or allows you the discretion to turn them away, I move the rules be suspended so the fella who wanted to film for HBO be allowed to film this hearing and that ABC be allowed to film this hearing and all God's children be allowed to film this hearing until the room is too full for us to conduct our business."

Before Miller's motion, subcommittee chairman Rep. Andy Harris (R-Md.) noted that the hearing is being webcast and that anyone filming the hearing would need the appropriate press credentials.

The hearing resumed nearly 30 minutes later, after Republicans voted to table both Miller's motion to allow the filming and a second motion to recess the hearing.[back](#)

## **EPA defends handling of Wyoming fracking tests back**

By Talia Buford | 2/1/12 10:00 AM EST

The EPA will tell lawmakers Wednesday the agency handled everything by the book when it tested water in a Wyoming town potentially contaminated by hydraulic fracturing.

Wednesday's House Science Committee hearing is the first on how the EPA analyzed water contamination in Pavillion, Wyo. The agency released a draft report in December that found groundwater in the community had traces of compounds associated with fracking chemicals.

"EPA has acted carefully, thoughtfully, deliberately and transparently in our groundwater investigation and in sharing the data and findings contained in our draft report," EPA Region 8 Administrator Jim Martin said in his written testimony to the Energy and Environment Subcommittee. "We have applied the highest standards of scientific rigor."

Martin also makes clear that any wide-reaching conclusions people sought to draw from the data did not come from the agency itself.

"I draw your attention to the careful language with which our conclusions are couched," Martin said. "We make clear that the causal link in hydraulic fracturing has not been demonstrated conclusively."

The EPA didn't release the data with reckless abandon before it had been vetted, Martin said in his written testimony.

In addition to having the findings reviewed by EPA managers, independent experts oversaw a technical review of the results before the draft report was released. The draft report was held for several weeks to "assure a full technical review," Martin said. During that period, Administrator Lisa Jackson met with representatives from Encana — the company that drilled the gas wells in Pavillion — and the EPA shared its data with the state, local tribes, Encana and federal agencies.

Thomas Doll, state supervisor for the Wyoming Oil and Gas Conservation Commission, blasts the EPA in his written testimony to the committee.

"The [report] was issued with incomplete data and technically inadequate conclusions," Doll said. "Based on limited sampling and an inconclusive data set from Pavillion, Wyo., groundwater, EPA's conclusion is now national and international fodder for the hydraulic fracturing debate. Now the quality of the hydraulic fracturing debate suffers and the EPA's science itself is questioned."

Doll's testimony paints a picture of a less cooperative federal agency that wouldn't release the monitoring well data, even after multiple requests. With no data to show the gas production depth, well construction or other particulars of natural gas extraction in Wyoming, and with "limited sampling" of two groundwater wells at two different times, the EPA data was created amid significant lapses in knowledge, he said.

"The EPA conclusion that hydraulic fracturing caused groundwater contamination is limited to the data found in a single sample detect from a single monitoring well located in a natural gas field in central Wyoming," Doll said. "Yet this fact is lost in the public reaction to EPA's announcement and results in a worldwide damnation of hydraulic fracturing."

Additionally, Doll said, the natural gas the EPA found in the samples does not match that found in the landowner wells, and the chemicals found in the wells cannot be tied to natural gas production. Doll also said that the monitoring wells are not located in the aquifers tapped by residents.back

## **Yucca report renews sniping over 'logjam' back**

By Darius Dixon | 2/1/12 11:40 AM EST

The Energy Department's Blue Ribbon Commission on nuclear waste policy breathed new life into the partisan feud over Yucca Mountain during a hearing Wednesday, while leaving House Democrats divided.

Leading the charge for Republicans, House Environment and Economy Subcommittee Chairman John Shimkus of Illinois said the commission's final report "found what many of us have long been saying" — namely, that "the dysfunction within and between the Nuclear Regulatory Commission and the Department of Energy has rendered the current waste management structure ineffective."

But Rep. Henry Waxman of California, the top Democrat on the full Energy and Commerce Committee, used the report to take shots at House Republicans over Yucca.

"It is clear that this top-down, federally mandated approach has not worked," Waxman said. He added: "Last year and again this year, Congress has provided no funding for Yucca Mountain. Even the biggest advocates for Yucca Mountain in the Republican House have not acted to provide any funding."

Waxman said that he hoped the commission's report might lead to a way out of "the narrow obsession with Yucca Mountain."

But Democratic opposition to Yucca Mountain isn't universal, as was on display Wednesday.

"I had an opportunity to visit Yucca Mountain last year, also with Chairman Shimkus," said subcommittee ranking member Gene Green (D-Texas), "and I have supported the use of Yucca Mountain in the past and still believe it's a terrible waste of taxpayer dollars to have this \$12 billion facility sitting unused in the desert."

Still, Green recognized that Yucca has reached an impasse.

"While I'm supportive of using Yucca Mountain as a permanent nuclear waste disposal facility, it's clear that certain political realities must be accepted in the here and now," he said.

"The issue with Yucca Mountain may not resolved in the near future but perhaps there will come a time when we can move past the political logjam," Green added. "If we do, we can revisit utilizing Yucca Mountain in the future."back

**Hamilton: Fixes to nuclear waste issue won't be quick back**

By Darius Dixon | 2/1/12 12:42 PM EST

Not even the co-chairman of the Energy Department's blue ribbon nuclear waste commission is optimistic about Congress acting on the panel's recommendations anytime soon.

The creation of an independent, government-chartered corporation to carry out the nation's nuclear waste policies quickly became the commission's most popular recommendation. But exactly when that organization might be created is anyone's guess, former Rep. Lee Hamilton told members of the House Environment and the Economy Subcommittee on Wednesday.

"I don't know how long it'll take to create a new organization," the Indiana Democrat said.

"Longer than you think," responded Rep. Joe Barton (R-Texas).

Hamilton acknowledged that the commission left much work to do.

"We recommend a new organization, but we recommend it in only very general terms, and the Congress would have to fill in a lot of the details on that," Hamilton said. "It's going to take you time, and we want you to take time. Do I personally expect that you have it done in 2012? The answer is no."

Hamilton said it might take "maybe two years, maybe more" to set up the organization, but, in the meantime, "we don't want everything to come to a dead stop."

In its report, the commission suggested that the Energy Department has several near-term options, including regulatory and technical development regarding siting and transportation, as well as entering new negotiations with utilities paying the nuclear waste fee.back

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